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Postprint / Postprint
Zeitschriftenartikel / journal article

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Empfohlene Zitierung / Suggested Citation:
Tallontire, A., Opondo, M., Nelson, V., & Martin, A. (2009). Beyond the vertical? Using value chains and governance as a framework to analyse private standards initiatives in agri-food chains. *Agriculture and Human Values*, *28*(3), 427-441. https://doi.org/10.1007/s10460-009-9237-2

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https://nbn-resolving.org/urn:nbn:de:0168-ssoar-263287

Title page

Beyond the vertical? Using value chains and governance as a framework to analyse private standards initiatives in agri-food chains

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Beyond the vertical: An evolving framework for understanding the governance of private standards initiatives standards in the agrifood chain

The significance of private standards and associated local level initiatives in agrifood value chains are increasingly recognised. However whilst issues related to compliance and impact at the smallholder or worker level have frequently been analysed, the governance implications in terms of how private standards affect national level institutions, public, private and non-governmental, have had less attention. This article applies an extended value chain framework for critical analysis of Private Standards Initiatives (PSIs) in agrifood chains, drawing on primary research on PSIs operating in Kenyan horticulture (Horticulture Ethical Business Initiative and KenyaGAP). The paper explores the legislative, executive and judicial aspects of governance in these southern PSIs highlighting how different stakeholders shape debates and act with agency. It is argued that governance is exercised 'beyond the vertical' in that one can identify wider horizontal processes of governance, including how the scope of key debates is constructed (especially in legislative governance) but analysis of executive governance emphasises the dominant role of the lead buyers.

Key words: Kenya, private standards, governance, value chain analysis

Beyond the vertical? Using value chains and governance as a framework to analyse private standards initiatives in agri-food chains

Trade in agrifood products is increasingly characterised by global supply chains dominated by agribusiness that require suppliers to comply with an ever-growing set of standards to secure access to markets. Often, these standards take the form of voluntary standards and codes developed and overseen by new constellations of actors from the private and non-governmental sectors, working in collaboration in private standards initiatives (PSIs). PSIs represent a new form of agrifood governance which present questions related to sustainability and democratic legitimacy.

What is particularly interesting is that PSIs are now emerging in the global South as well as the North where, in the context of managing risk in global chains, they were first initiated. Southern PSIs focusing on food safety and quality include ChileGAP and KenyaGAP, where producers have developed their own interpretation of Good Agricultural Practice which they have benchmarked to the GlobalGAP protocol (Garbutt and Coetzer 2005; Garbutt 2007). There are also examples of southern PSIs in the field of labour codes of practice, such as the Wine Industry Ethical Trade Association (WIETA) in South Africa and Horticulture Ethical Business Initiative (HEBI) in Kenya (Barrientos 2007; Dolan and Opondo 2005).

There has been very little empirical analysis of PSIs located in the global South. This paper draws on preliminary findings from an ongoing project on private standards in the agrifood chain in the horticulture sector in Kenya where leading European retailers and other key buyers are sourcing cut flowers and vegetables in order to contribute to filling this empirical gap.[1] Our framework for analysis of PSIs (set out originally in Tallontire 2007) focuses on governance and potential institutional impacts within the agri-food sector using an extended form of value chain analysis (VCA) which emphasises ‘horizontal’ as well as ‘vertical’ dimensions of governance. By this we mean that the framework looks beyond actors directly involved in commodity exchange and includes the range of actors that may govern value chains and related standards beyond buyers and suppliers such as civil society organisations, donors and workers and their representatives. We compare the horizontal and vertical governance aspects of two locally based private standards initiatives that have emerged in the agrifood sector in Kenya: the Horticulture Ethical Business Initiative (HEBI) and KenyaGAP, with respect to the way in which standards are developed and by whom (legislative governance), how compliance is monitored and assessed

[1] The authors gratefully acknowledge funding from the UK’s Economic and Social Research Council and Department for International Development, for the project Governance Implications of Private Standards Initiatives in Agri-Food Chains, grant ref: RES-167-25-0195.

(judicial governance) and processes of standard implementation and the different tools that are used by the PSI to ensure that standards are met (executive governance).

The Kenyan horticulture sector is an interesting locus for this research due to the keen interest of donors, the institutional experimentation that has been undertaken and the importance of the sector to the country's exports. In this paper we have considered two PSIs together, not only because they are operating in the same sector in the same country and are therefore inter-related, but also because it helps to put the relative success or failure of the different initiatives into context of the wider structural dynamics evident in the chain.

We start by briefly discussing the growth and origins of PSIs in agri-food chains. Our conceptual framework is then set out. Next we explore the different dimensions of governance at play in two Kenyan PSIs drawing on the empirical research we have undertaken in Kenya and in Europe. The concluding section reflects on the dynamics of governance in the two initiatives and the way in which different kinds of power have shaped the stories of the initiatives. We argue that one needs to look beyond the vertical aspects of governance, to explore the role of actors outside of the value chain to fully appreciate the potential role of southern PSIs. However, our analysis indicates that the extension of governance 'beyond the vertical' is limited to only certain aspects of governance. Moreover, whilst PSIs may offer potential for standards to be developed, meet the needs of and be applicable to a wider range of stakeholders, much of the power resides with actors downstream, that is the buyers.

Private forms of regulation in agri-food chains

The use of private forms of regulation such as standards has become a hot topic in agrifood, trade and value chains literature in which the increasing significance of private standards in comparison to public standards, in developed and developing countries, has been mapped (for example by Giovannucci and Ponte 2005; Busch and Bain 2004; Henson and Reardon 2005). There has been considerable discussion about the use of private standard by supermarkets in the context of their global sourcing policies (Vorley 2003; Dolan and Humphrey 2000; Busch et al 2005). Important developments have been the insistence by certain retailers that suppliers are certified against the GlobalGAP[2] standard or other standards for good agricultural practice as part of their efforts to ensure the supply of safe food to consumers (Humphrey 2006) and, in certain markets, increased vigilance with regard to the welfare of workers and adherence to labour rights, particularly the UK where several supermarkets are members of the Ethical Trading Initiative[3] (Barrientos 2007; Hughes et al 2007). As Giovannucci and Ponte note, 'standards are thus being set outside the

[2]Until recently known as EurepGAP, this initiative started in 1997 when retailers belonging to the Euro-Retailer Produce Working Group (EUREP) to develop standards for Good Agricultural Practice (GAP). In particular European markets, notably the UK and the Netherlands, it has become the minimum requirement for producers wishing to sell through the multiple retailers. .

[3] The ETI is 'an alliance of companies, non-governmental organisations (NGOs) and trade union organisations' which aims 'to promote and improve the implementation of corporate codes of practice which cover supply chain working conditions' (www.ethicaltrade.org).

classic boundaries of governmental and intergovernmental authority and through amorphous alliances of corporations, NGOs, and civil society groups that tend to reach agreements on the model of collective bargaining' (Giovanucci and Ponte 2005: 298).[4]

Private Standards Initiatives in the South[5]

The emergence of southern-based PSIs has been cheered enthusiastically from many quarters. For some, private standards could be usefully aligned with public sector monitoring and enforcement functions for reasons of efficiency or to take advantage of potential creative synergies between private and public standards development, inspection and sanctions systems (FIAS 2005). Enthusiasm for PSIs has come from another quarter, founded upon their *potential*, especially when they involve a variety of stakeholders, localising standards, improving farmer and worker well-being and providing a space for participation for previously unheard groups (NRET 2002; Barrientos, Dolan and Tallontire 2003; Pattberg 2006), and thereby embodying deliberative democracy (Fuchs and Kalfagianni forthcoming). O'Rourke summarises the potential in particular of non-governmental forms of regulation: 'they offer the potential of opening up and strengthening regulatory systems, and bringing in new voices and mechanisms for motivating improvements in global supply chains' (O'Rourke 2006: 911).

However, some warnings have been sounded with respect to the power that private initiatives embody. They may be an instrument through which the private sector can, in the words of Busch and Bain 'reorganize aspects of the market to better suit its needs' in the context of a retreating state (2004: 322). Utting warns that structural factors, specifically 'ongoing economic liberalization', are likely to play an important role in shaping the nature of the regulation of business (2005: iii). Purchasing practices and supply chain management in agri-food chains are likely to affect the way in which rules are formulated and put into practice (Taylor 2005; Raworth 2004). Retailers for example maintain control through discursive power to frame the debate and have 'the power to determine which stakeholders are called to the bargaining table and whose voices are validated' (Dolan and Opondo 2005: 97) and there are risks that 'local multi-stakeholder approaches may simply replicate and reinforce local gender norms' (Tallontire, Dolan, Smith and Barrientos 2005: 569). Indeed even the optimism about PSIs is often hedged and subject to numerous case-specific caveats. The potential of PSIs, whether to improve efficiency or governance, is conditional and largely untested (Courville 2003; O'Rourke 2003). Importantly, there is a dearth of empirical understanding in a Southern as opposed to a Northern context and beyond international standards.

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[4] We are using the term 'private standards' to cover all standards set outside the realms of public sector. We have included 'multi-stakeholder' initiatives under the broad rubric of *private* standards initiatives to distinguish them clearly from mandatory standards and so permit analysis of the extent to which initiatives permit true *multi*-stakeholder dialogue and action.

[5] This section draws considerably from Tallontire 2007 where the literature is more fully discussed.

An analytical framework

In our earlier paper (Tallontire 2007) we set out the areas of literature which may provide ideas for a conceptual framework to guide empirical analysis. The entry point was Value Chain Analysis (VCA) as it is focused on the structures of international trade and the material context in which PSIs are emerging. There are four generally agreed aspects to value chain analysis, consideration of the : a) input-output structure, b) territorial configuration, c) governance structure and d) institutional framework (originally Gereffi 1995; and summarized by Ponte 2002, Nielson and Pritchard 2009). A key feature of some applications of VCA that makes it particularly useful for the analysis of standards is its concern with governance, particularly chain governance, i.e. how key players 'drive' the chain (Gereffi 1994).

Gereffi distinguished between two types of governance structures: producer-driven and buyer-driven. In a buyer-driven value chain, typical in the agri-food sector, large retailers or brand-name companies make the key decisions about the nature of activities and actors in the chain without actually owning any manufacturing facilities themselves.[6] A theoretical development regarding buyer-driven chains by Gereffi et al (2005) has sought to refine governance in terms of different forms of relationship between nodes in the chain, focusing on the transfer of information between the buyer and the first tier supplier, the extent to which information regarding buyer requirements can be codified and the capabilities of the supply base. [7]

In contrast, Gibbon and Ponte (2005) have pointed to the need to consider 'whole chain governance' rather than considering the largely economic dimensions of 'functional leadership' and so relate chain governance to 'broader narratives about quality circulating within society more generally' (Ponte and Gibbon 2005: 3). They remind us that there are other important players and factors as well as the lead agents, who may have some influence on the 'drivers', such as government bodies, civil society organisations and different categories of consumers (the latter especially in the context of product differentiation). They stress that value chains do not operate in 'an institutional and regulatory vacuum', and seek to incorporate international trade policy and the values and views of society, including consumers.

Gibbon and Ponte (2005) link convention theory and analysis of quality conventions to their understanding of (whole chain) governance in value chains which helps broaden and contextualise VCA. However, it is less useful at the producer end of the value chain and with respect to national standards *initiatives* particularly the shifting dynamics between the private sector, the state and civil society in the context of specific PSIs, in contrast to the standards themselves. We need new tools to consider *horizontal* governance, i.e. how these new regulatory institutions involve and affect

[6] More recent work has suggested that there are more types of governance than this dualism implies and different chains in the same market for a commodity may exhibit different levels of driveness, that is, not all buyers are lead firms in the same way.

[7] Their distinction between 'market', 'relational', 'modular', 'captive' and 'hierarchy' forms of governance has been used by analysts concerned with governance in fair trade value chains for example (Barrientos and Smith 2007; Reed 2009).

others formally or informally involved in setting, monitoring, improving or implementing such standards at the national level.

Increasingly horizontal aspects of governance in VCA are gaining recognition. Indeed many researchers have abandoned VCA and have looked to Global Production Network theories to consider the role of other actors that may shape the nature of inclusion and exclusion in value chains (see for example Coe et al 2008). Within VCA, Bolwig et al (2008) have developed a framework for integrating gender, environmental and poverty dimensions into VCA; earlier Barrientos et al (2003) linked the gender economy to VCA to explore the often neglected employment aspects of value chains. More recently, Neilson and Pritchard have sought to re-assert the importance of an institutional dimension to VCA, arguing that recent concentration on governance has meant that 'the approach has little to say on the complex questions' related to the differences in how value chains operate across geographical locations and how governance and institutions within value chains are 'co-produced' in a context of 'struggle' (2009: 8-9).

We argue that it is necessary to widen the perspective beyond *vertical* chain governance, i.e. relations between buyers and suppliers, if we are to understand the broader implications of PSIs beyond the actors directly involved in the agri-food value chain. In order to capture the interplay between the different actors involved in PSIs, we have looked to how Kaplinsky and Morris (2002) use the 'lens of civic governance', and 'the separation of powers' to reconsider governance in a value chain context. They ask who makes the rules and how and associated discourse (legislative aspects); how conformity is assessed (judicial) and management of participants including the use of incentives and sanctions (executive). They illustrate this by exploring how parties internal and external to the chain are involved, comparing with respect to legislative governance, for example, standards on delivery times (internally determined) with environmental standards (often externally determined), highlighting that there may be several actors involved in different aspects of governance. For Kaplinksy and Morris (2002) uncovering the multiplicity of actors was useful in identifying where inefficiencies in the chain may occur. In the context of PSIs, the separation of powers helps to take the analysis of governance beyond a concern with the vertical dimensions, to include the role of parties other than lead buyers. As we argue below, however, it is important to get beyond the visible or direct involvement of different actors in governance to also consider more invisible or discursive forms of power.

Thus, analysis under the rubric of *legislative* governance is concerned with the origin of the standard, exploring the links it has with other standards, both in the public and private domains. Importantly it is concerned with identifying who is involved, and those who may be excluded. Is this an industry-only or is it multi-stakeholder? And what is the basis for participation: is there a constitution outlining the different kinds of organisation to be represented? Under judicial governance, the focus is on how compliance is monitored and assessed. Are there formal audit procedures? What is the relationship with other systems of inspection and conformity assessment, including public sector systems or extra-territorial systems? Who is able to audit and what kinds of auditing systems are favoured? Executive governance is about the processes of standard implementation and the different tools that are used by the PSI to ensure that standards are met. What does non-compliance mean for members? How far down the chain are standards expected to be met? What is the relationship with actors upstream with regard to efforts to promote implementation of the standard?

An important part of our framework is mapping who is involved in each of these three governance realms, particularly focusing on the extent and modalities of participation and representation of key stakeholders. This is particularly useful for understanding the outputs of politics, the decisions made and rules set and to explore the characteristic of participants. However, this yields a fairly static picture, there is a need to supplement this picture of the structures of PSIs with an understanding of the more subtle processes by which new forms of governance are legitimated, i.e. the way in which power can be expressed and potentially gained through the shaping of ideas and discourse. Indeed, governance concerns not only direct power over actors in the chain or their power as a result of their structural position, but also their discursive power, or ability to frame the debate (Fuchs and Lederer 2007).[8]

Thus the preliminary analysis of legislative, executive and judicial governance must be overlaid with an assessment of different dimensions of power, both overt and softer, hidden forms of power. This can be done through considering the *discourse* of the key actors, the way in which the actors interact or the *struggles* that may occur (as highlighted by Neilson and Pritchard [2009]), and through this explore who may act with *agency* as opposed to being subject to the power relations within the PSIs.[9] Thus, we aim to explore the ways in which the structural characteristics of a particular value chain, the agency of key actors, and the associated discourses interact, are contested and shaped, specifically in relation to the emergence of private standards. An important question that must be addressed is whether the PSI represents a form of 'control at a distance' (Gibbon and Ponte 2005) on the part of lead buyers or whether it has its own, locally negotiated dynamic.

PSIs and governance in Kenyan horticulture

Our empirical research has involved three main elements through which we have sought to explore the perspectives of different actors along and associated with the Kenya-Europe horticulture value chain. We have conducted over fifty key informant interviews in Europe, predominantly the UK, and in Kenya, including representatives of Kenyan government, horticultural producers, retailers, private standards bodies, NGOs and trade unions. Several Kenyan stakeholders also participated in three

[8] A discursive power approach tends to focus on 'the ideational dimension' of politics and policy and explores how 'discursive power shapes perceptions and identifies' (Fuchs and Lederer 2007: 9). In some approaches to discursive power, power can become anonymised, which, as Fuchs and Leder (ibid) note, can mean that one ignores the intentions behind power and indeed the role of actors themselves. However, a Gramscian interpretation of discursive power highlights the role of agency.
[9] Riisgaard (2008) highlights the importance of considering agency beyond the buyers and suppliers in her analysis of the agency of labour organisations in the Kenyan horticulture sector.

workshops held in Nairobi in September 2008 which sought to map out different perspectives concerning private standards and their implementation in Kenya and the trajectories of different PSIs. This was complemented by twenty nine focus group discussions with workers employed in horticultural firms which are implementing a range of private social and GAP standards and eighteen FGDs with smallholders which have been implementing standards demanded by supermarkets (mostly GlobalGAP in the case of smallholders)[10]. Through the worker and smallholder FGDs we sought to explore awareness of standards and participation and involvement (if any) of workers or smallholders in debates or action relating to private standards and local PSIs.

Amongst sub-Saharan countries, Kenya is a significant exporter of horticultural produce (fresh fruit and vegetables and flowers). Horticulture exports, including flowers, were over US$330 million in 2002; 135,000 people were directly employed and 25,000 smallholders involved in the sector (World Bank 2005), with annual growth rates over 10%, by 2006 exports were over US$ 550 million (Republic of Kenya 2007). The sector has been the arena for a considerable number of PSIs and seems to have been a testing ground for different institutional arrangements with regard to standards and market linkages by donors, NGOs and the private sector. Two kinds of standard have been prominent: labour standards and standards for good agricultural practice (GAP), both of which have been implemented as a result of buyer pressure in the agri-food chain. Pressure from buyers, together with civil society pressure in the case of labour standards, has resulted in the emergence of two Kenyan PSIs: (a) KenyaGAP, and (b) Horticulture Ethical Business Initiative (HEBI), background to which is found in the Boxes 1 and 2.

Box 1: KenyaGAP

KenyaGAP is an initiative to produce a 'locally-owned' standard that has been benchmarked with GlobalGAP.

GlobalGAP, formerly EurepGAP, was established in 1996 as an initiative by retailers belonging to the Euro-Retailer Fresh Produce Working Group (EUREP) to develop standards for Good Agricultural Practice (GAP). It was a response to consumer concerns and European legislation on food safety and also aimed to fill a regulatory gap. Systems such as GlobalGAP are an effort to demonstrate that a retailer has put in place appropriate precautions to ensure that safe food is delivered to the consumer (Fulponi 2006: 9). For UK retailers in particular it is hoped that improved systems for GAP all along the supply chain would offer a due diligence defence for retailers under the UK Food Safety Act 1990 (Graffham, Karehu and Macgregor 2007). In particular European markets, notably the UK, Netherlands and Switzerland, certification according to GlobalGAP has become the minimum requirement for producers wishing to sell through the multiple retailers (Henson and Reardon 2005; Jaffee 2005) and retailers outside of Europe have recently become members.

[10] The worker FGDs took place July and December 2008 in Kiambu and Nakuru Districts and the smallholder FGDs took place between July-October 2008 in Maragua, Kirinyaga and Meru.

In Kenya the larger producers were able to meet the GlobalGAP standard independently or by virtue of compliance with the Kenya Flower Council's (KFC) standard that was already benchmarked with GlobalGAP. However, it was more challenging for small to medium producers of horticultural products, indeed there were concerns in the media, in the industry and across government that the standard would lead to the exclusion of small producers from these supply chains. This was particularly heightened in 2004 as GlobalGAP's deadline for compliance by members and their suppliers drew closer. This led to the establishment of a National Technical Working Group in late 2004 to explore the potential for a KenyaGAP standard that would be more attuned to local conditions. Led by FPEAK (the Fresh Producer Exporters Association of Kenya), whose members include more medium and small scale operators compared to KFC, KenyaGAP was private sector led. However, government bodies have also played an important role in the discussions to redevelop the FPEAK standard to become KenyaGAP. Donors such as Coleacp PIP and USAID have helped with finance and advice and technical assistance and training was offered by NGOs and 'experts' (Garbutt 2007; Humphrey 2008).

KenyaGAP achieved benchmarked status in 2007 but few, if any, export companies have sought KenyaGAP certification. FPEAK are now working on a revised standard, KenyaGAP Local in collaboration with the Kenyan Bureau of Standards and are starting to audit their members against the KenyaGAP standard, formerly compliance with the code was not a condition of membership in FPEAK.

Box 2: Horticulture Ethical Business Institute (HEBI)

HEBI was registered as a legal entity in 2003 as a result of a local and international civil campaign against workers' rights violations in horticulture and then interventions from the UK's Ethical Trading Initiative (itself a PSI with stakeholders from the private sector, NGOs and trade unions) and donors (the UK's Department for International Development [DFID] and the Dutch Embassy). In anticipation of the ETI delegation and 'in fear of losing Kenya's most significant market, rival Kenyan stakeholders came together for the first time to lay the groundwork for the formation of HEBI' (Dolan and Opondo 2005: 91).

A multi-stakeholder approach to code implementation was initiated and a tri-partite Stakeholders Steering Committee (SSC) was formed comprised of members from Kenyan civil society organizations and trade associations/employers, observers (including donors and some UK-registered NGOs), and government representatives. The aim was to include unions but have they did not accept the invitation. The SCC had two objectives to a) 'harmonise stakeholder interests and involvement and to develop a credible and participatory social audit framework acceptable to all stakeholders including buyer markets' and b) 'to use the developed social audit framework to establish the actual situation on the ground and report back to the Stakeholders' (HEBI 2005).

The intervention of the ETI and donor funding helped establish HEBI and by 2005 it had undertaken the following activities (HEBI 2005):

- Developed a uniform social code of practice, which translated the ETI Base Code and other significant social codes into the Kenyan context, through reference to Kenyan labour law and drawing on good practice established from research and HEBI audits
- Trained up to 40 local auditors in Participatory Social Auditing (PSA)
- Social ethics stakeholder workshop, planned to take place annually
- A pilot social audit took place on eight farms and the findings were presented at a stakeholder workshop (January 2004).

One of the aspirations of HEBI, as expressed in its terms of reference for the development of a strategic plan (2006), is 'the formation of an independent association of social auditors'; it also indicates that it offers the services of social auditors. This role as an audit body is in addition to objectives related to awareness-raising amongst workers, promotion of PSA methodology, being the focal point for stakeholder engagement regarding national labour standards and the development of a complaints handling procedure for the industry.

However, currently HEBI has no staff and no funding and exists, if at all, only as a board.

In the following sections we discuss the two initiatives using the legislative, judicial and executive framework and also highlight the way in which power and agency have been exercised by particular stakeholder groups.

Legislative governance

First of all we consider legislative governance with respect to the origin of the standard, its content and who is involved as members and the way in which they may participate. Initial conclusions from analysis of legislative governance highlight similarities and differences in the organisations involved in the two initiatives. As both initiatives are part of the same value chain one may expect many of the same players to be involved, most obviously the exporters and importers.

The standard developers in both HEBI and KenyaGAP sought to base their standards on an understanding of good practice in the local context. The development of the HEBI standard began with an analysis of existing (external) social standards. Whilst much of the motivation behind KenyaGAP was to gain acceptance in the market that local standards were equivalent with GlobalGAP, one of the main players in the development of the standard claims 'we didn't want to bring a foreign document. We documented what the farmers are doing and from this we developed the minimum of what you have to do' (interview).

Both HEBI and KenyaGAP standards refer to national law. Inclusion of national level detail, particularly locally appropriate indicators, has been important for the audit process so that there is less room for inconsistent interpretations by auditors not familiar with local conditions. Both the HEBI code and the KenyaGAP standard attempt to interpret international standards for local conditions and have managed in some cases to get acceptance of equivalence of outcome through divergent means. A much celebrated success from the KenyaGAP benchmarking process has been recognition that a locked metal box is adequate storage for small producers who use only a small amount of pesticide, rather than the building specified in the original GlobalGAP criteria and indicators. Another significant difference between the GlobalGAP and KenyaGAP standards is that the latter offers detailed guidance on how compliance may be achieved. In the words of one stakeholder, GlobalGAP 'tells people what they need to do…[but] they do not tell you how to do it. They give you the exam but no reading material. With KenyaGAP we chose to say how to do it, which records the farmers need and what form and how to fill it in' (interview).

As indicated in Box 2, the HEBI code sought to synthesise the social codes prevalent in the sector and identify best practice as well as linking the principles expressed in many codes with relevant Kenyan legislation, with a view to promoting not only compliance with externally defined rules, but also Kenyan law (Dolan and Opondo 2005). Many of the ideas have been gradually accepted as best practice by leading players in the industry, for example a spokesperson for the Kenya Flower Council notes how they have 'borrowed' the idea of 'gender committees' from HEBI's elaboration of the non-discrimination principle (interview). However the content of the code is only half the story for HEBI, the aim is for it to be complemented by a particular methodology which, according to a civil society stakeholder interviewee 'helps in getting the truth…Participatory social auditing – you get things you don't get with conventional approaches'. (See next section on judicial governance).

Both HEBI and KenyaGAP have been presented as multi-stakeholder, involving players from the private sector as well as civil society organisations and government. The development of HEBI can be traced directly to campaigns by local NGOs such as Kenya Women Workers Organisation (KEWWO), Kenya Human Rights Commission and Worker Rights Alert, which then linked up with international networks (such as Women Working Worldwide based in the UK), to raise awareness of the labour rights issues that were prevalent throughout the horticulture, particularly floriculture, industry. This meant that exporters and then retailers decided that they could not longer act defensively but had to act to change practice (Dolan and Opondo 2005; Hale and Opondo 2005). After years of conflict, NGOs and the private sector came together to form HEBI.

HEBI thus aimed to bring the private sector to the table with its civil society critics. A key part of the structure of HEBI was for it to be led by two co-chairs, one from the private sector and one from civil society. However, since the resignation of a representative of Kenya Human Rights Commission, leadership was dominated by the private sector, through a representative of the Agricultural Employers Association and latterly the Kenya Flower Council. Civil society organisations have not been taken up the vacated co-chair role, and indeed some civil society members argue that their participation in the board since 2007 has been frustrated through being given very late notice of meetings and by requests to help fund the secretariat at levels which the

NGOs could ill afford (interviews). The end of donor funding and lack of an income stream meant that the organisation had no office. That the HEBI secretariat was temporarily housed in the offices of the Kenya Flower Council in 2007-08 is perhaps indicative of the private sector's influence over fate of the initiative.

In recent years in GlobalGAP there has been an emphasis on local level interaction and the public private partnership that is embodied in the 'national technical working groups', such as that behind KenyaGAP. The chair of GlobalGAP stated that it is 'committed to building strong links to the public sector, and Non Governmental Organisations through public private partnership projects'.[11] One of the leading exporter associations in horticulture in Kenya that cuts across flowers, vegetable and fruit, FPEAK has led the development of KenyaGAP, but some NGOs, consultants and public sector stakeholders have been involved in the discussions.

A very different set of NGOs have been associated with KenyaGAP compared to HEBI in which advocacy NGOs have predominated. NGOs that have been associated with KenyaGAP tend to be organisations working on market access for small producers. For example Fintrac (in its guise of Kenya Horticulture Development Program) and CARE (both of which are associate members of FPEAK) have been involved in initiatives to build capacity in GAP and promote certification and are the local offices of international NGOs, often funded by donors such as USAID.[12] Donors (such as DFID, GTZ and the EU-funded Pesticides Initiative Programme) have been acknowledged as important players in the development of KenyaGAP and the benchmarking process, not only for funding but also 'creating a pool of knowledge' (Mbithi 2008b).

In presentations on the KenyaGAP process, 'farmers' as well as 'exporters' are also listed as an important part of the process with regards to 'investment, adoption of new techniques and group co-operation' (Garbutt 2007). The 'unique selling point' of KenyaGAP is reportedly its focus on interpreting and making GlobalGAP more accessible for the smaller producer. Increasingly FPEAK has presented itself as an organisation that can speak for smaller producers, is able to link small and larger producers and facilitate compliance with market needs (Mbithi 2008 and b; interviews). Despite recent efforts at 'outreach' to the thousands of smaller farmers who grow much of the fresh vegetable exports, small farmers themselves have not been involved in development of the KenyaGAP standard. Our focus groups with smallholders that have achieved GlobalGAP certification revealed that neither they, nor their representatives, had been directly involved in any national level discussions about GAP standards, despite connections to NGOs and consultants concerned about the challenges of access to markets requiring certification. Standards for food safety and good agricultural practice are presented by KenyaGAP and GlobalGAP, and to a

[11] Email to author 28 March 2008

[12] Indeed Fintrac was the operating agency for the USAID Kenya Horticulture Development Programme and the UK's Department for International Development (DFID) hired a consultancy body to run its Business Services Market Development Programme (BSMDP) which was also highly involved in building capacity amongst horticultural producers to access markets requiring GAP certification.

certain extent by the bilateral donors, largely as a technical matter where stakeholders admitted to discussions are largely 'technical experts', some of whom speak for smallholders who themselves do not have a voice. Legislative governance within KenyaGAP is relatively closed, open only to the invited participants.

In theory HEBI has greater claims to be representative of workers whose interests the initiative purports to promote. However, the issue of a voice for workers and representation in HEBI has been more complex in practice. The involvement of trade unions was a critical part of the model on which HEBI was based, which draws on the experience of the Ethical Trading Initiative as multi-stakeholder initiative (Brown 2005; Dolan and Opondo 2005; Blowfield 2002). However antagonism between the sectoral union (Kenyan Plantation and Agricultural Workers Union, KPAWU) and local NGOs has meant that union representatives refused to take the seats on the Steering Committee reserved for them (Dolan and Opondo 2005) and there has been no union participation in HEBI Board meetings. Indeed the union has had little contact with horticulture industry bodies, focusing its attention on the mechanisms for collective bargaining (interviews). The lack of union participation creates a problem for the credibility of *multi*-stakeholder *labour* standards initiative. As Blowfield and Dolan note 'NGOs are designated proxies for workers' interests' (2008: 16). The extent to which they have the capacity to act as advocates for workers is as yet unproven. Despite considerable activity in the flower farm regions, particularly Naivasha around 2000-02 on the part of several NGOs, and the fact that NGO members of the HEBI board participated in awareness raising and pilot participatory audits in 2005-6, including more recent training, our worker FGDs indicated that few workers were aware of NGOs working on labour issues.[13] Indeed workers were more aware of technical specifications for the produce than their rights.

The conflict between trade unions and NGOs which has characterised much debate internationally on the role that codes of practice may play in protecting labour rights (Braun and Gerhart 2005) is particularly acute in Kenyan agriculture. The level of unionisation on Kenyan commercial farms is relatively low, particularly among women (Riisgaard 2008; Dolan, Opondo and Smith 2003)[14] and the relationship between leaders in the union movement and NGOs has been tarnished by conflicts of personalities and the influence of national politics. NGOs and others (in key informant interviews and our stakeholder workshops) allege that the union has been too close to government to properly undertake its role as voice of the workers and the union jealously protects its official role in 'social dialogue'.

Furthermore, the development of an effective working relationship between the NGO and business participants in HEBI has been hampered by a lack of trust. Many of the local NGOs involved in HEBI have roots in campaigning and there is a history of antagonism, and indeed conflict. NGOs tell of being thrown off farms when attempting to train workers of their rights and to mobilise campaigns (interviews and

[13] This could be because workers are fearful of mentioning association with NGOs, especially since KEWWO for example is a membership organisation.
[14] However on some flower farms, including some from which we interviewed workers levels of unionisation are over 80%.

workshops). The NGOs on the HEBI Board maintain an advocacy stance but some of the NGOs have since been invited onto farms for training sessions with worker rights, especially prior to the pilot social audits. Moreover, KEWWO's recent research for Women Working Worldwide has acknowledged that significant improvements have taken place in the industry, particularly on the larger flower farms (Women Working Worldwide 2007). Despite some thawing in the relationship, further challenges have emerged. The departure of some key individuals from some civil society organisations and diverted attention of others (e.g. forays into national politics) has meant that some of the NGOs central to the formation of HEBI have played a less direct role in the recent years. Civil society members of HEBI Board talk of 'coming back' to HEBI, but it is not fully clear why they went away. Was it related purely to capacity issues, or was there a sense that they were being squeezed out of an organisation that was being left to wither?

Interviewees from Kenyan business have expressed disappointment that HEBI has not succeeded, some focusing on the loss of key individuals from the Board but also an apparent 'bias' amongst 'human rights activists'. At our workshop with Kenyan private sector stakeholders, participants argued that it was the because of the 'market' that HEBI was 'dying', rather than because of the action or inaction of local business. Whilst initially a catalyst for the founding of HEBI, some northern private sector players have tended to distance themselves from what they regard as the political problems of HEBI. For example, one retailer, suggested: 'We got the people round the table, decided that the issues should be solved in Kenya. [But there were] politics. Trade unions would only get involved if the NGOs were not there. Who owns the rights of workers? Because they didn't get the right structure, perhaps it was always doomed.'

However, if the trade unions and NGOs had been able to work together within HEBI and if the original NGOs in the initiative had sufficient resources, both human and financial, would the story have been any different? The answer partly depends on the way in which the private sector engages with the process, which we will discuss further under judicial and executive governance below. It should be noted that the flower companies and KFC have not completely shunned NGOs, rather they have become more selective with civil society partners. To assist in social auditing KFC has recruited Africa Now[15] to act on its independent certification committee and several companies have asked this NGO, through its Ethical Business Service, to train workers or conduct participatory social audits. The private sector, both Kenyan horticulture firms and UK retailers, variously regard this organisation as 'respected'; 'a local resource'; 'great'; a 'livelihoods NGO, not advocacy' (unlike the HEBI member NGOs) and even 'is our partner of choice'.

The sustainability of both KenyaGAP and HEBI is affected not only by the engagement or otherwise of players in Kenya, but also the involvement of donors. Donors have played an important role in the early stages of both initiatives. Initial financing for HEBI came from DFID and the Royal Dutch Embassy and was

[15] Africa Now is registered in the UK but has a Nairobi office and was one of the original 'observers' on the HEBI board rather than being a full member.

catalysed by the ETI secretariat and corporate members (Brown 2005), but the major donor did not renew funding when the production of a strategic plan was first delayed and then thought to be inadequate. The interest of ETI corporate members was not sustained for long.[16]

Donors contributed to the process of benchmarking KenyaGAP and have played an active role more generally in enabling smallholders to meet and be certified against GlobalGAP (Humphrey 2006 and 2008; raffham, Karehu and Macgregor 2007). Since benchmarking was achieved, KenyaGAP has been resourced largely through the efforts of FPEAK. Current donor attention has moved to the standard setters at the international level rather assisting with local level certification and benchmarking processes e.g. the Africa Observer/ Smallholder Ambassador.[17]

The use of outside resources for both initiatives raises questions regarding their sustainability. Also questions may be raised regarding their democratic legitimacy in terms of their ability to include all relevant parties. The extent to which those currently involved in KenyaGAP and also HEBI speak for or heed workers or small producers may be questioned. Our findings suggest that whilst there is increasing awareness of standards amongst smaller farmers and workers, there is little sense that they may have a voice in standard setting even at the national level.

Our analysis of legislative governance highlights how power has been exerted in terms of how the content of the standards has been developed and more significantly, who is participating. At first sight, legislative governance with respect to HEBI has been more open as it is designed to be multi-stakeholder. However, access to the private standard debate has been claimed by NGOs in HEBI, rather than the process being fully open. And the space for dialogue has been constrained by the private sector. In KenyaGAP the space for participation by actors outside the corporate private sector has been limited to NGOs and consultants deemed to have technical expertise.

Judicial governance

Judicial governance in relation to private standards is concerned with the auditing procedure – i.e. what compliance means, how it is assessed and certified. In terms of judicial governance there are some key differences between our two cases. For KenyaGAP, certification by an internationally accredited auditor is compulsory; this is critical if the assessment of compliance is to seen as equivalent to GlobalGAP's requirements. The central tool within GlobalGAP, and hence KenyaGAP, is compliance with the standard, however, the chair of GlobalGAP when interviewed said that 'Certification is not the be all and end all….it's about the practices…' (interview). In contrast, HEBI places less emphasis on compliance with the standard than the institutionalisation of an approach to social auditing that tries to raise awareness of key stakeholders within the industry in order to promote improvements

[16] As early as 2006 members of ETI secretariat wondered if HEBI still existed in reality.
[17] This initiative funded by DFID and GTZ began in 2007 with the aim of finding ways of increasing small holder representation in the standard setting process in GlobalGAP, http://www.africa-observer.info/index.html

in labour standards, drawing on ideas of participatory social auditing (PSA) (Auret and Barrientos 2002). PSA focuses on the use of participatory interview techniques, especially focus groups using diagramming and drama, to elicit the concerns of workers, in contrast to the structured interview formats and document checks of standard social auditing (ibid). The model adopted by HEBI also emphasised the witnessing of audits by civil society as an additional mechanism to improve ability of social audits to unearth underlying problems and identify solutions (Riisgaard 2008; workshops).

Whilst there has been wide acceptance of the content of the HEBI standard as a guide on appropriate criteria and indicators, e.g. by KFC, it is with respect to judicial governance that there has been more overt conflict. The KFC emphasises how it has improved its social auditing, e.g. through employment of female lead auditors and greater use of worker testimony. However, PSA has not been accepted by industry players beyond initial participation in donor-funded pilots of the audit methodology, particularly in terms of civil society participation. For the KFC, this has been limited to one NGO (which is not involved in advocacy) sitting on its recently formed audit committee.

A recent report by the ETI argues that there is a 'growing crisis' in social auditing in retailer and brand name supply chains (ETI 2007). On the one hand, social auditing is increasingly seen as wanting as it has not picked up continued labour abuses, even with respect to criteria that are relatively easy to monitor (such as excessive working hours) and incidents of audit fraud is increasingly widespread. On the other, there is also a widening gap between accepted good practice (participatory methods, worker interviews, inspection of records and triangulation of information) and the way in which the commercial social audit firms undertake social audits on behalf of retailers.

Most UK retailers now expect their suppliers to submit audit data to SEDEX, the Supplier Ethical Trade Data Exchange. This ultimately cuts the costs of an audit to suppliers by minimising duplication but the data handling requirements dictate an audit format that is quantitative and perfunctory suggest observers, including some in the private sector. The retailers and certification bodies involved in SEDEX have developed a standardised social audit methodology, SMETA (SEDEX Member Ethical Trade Audit) which aims to facilitate transparency and set a baseline in terms of what social audit should entail. Critics suggest that the SMETA approach is overly quantitative and reductionist; for example a representative of an ETI member company disparagingly described the as SMETA 'five interviews and a photo'. Another stakeholder pointed out that there is 'there is no space for trade union and NGO help in corrective action' (interviews). . It is far from the PSA that HEBI and others have developed.

Participatory approaches to social auditing are also threatened by the strengthening of the GlobalGAP standard's criteria on worker health, safety and welfare (WHSW)[18] and the experimentation with a 'voluntary module' on social standards, GRASP

[18] Note that WHSW in the GlobalGAP standard is primarily concerned with occupational health rather than core labour rights.

(Good risk-based agricultural social practices). GRASP is not a complete social audit and is described as a 'tested tool to support farmers demonstrating their legal social compliance with documentary evidence' and can help demonstrate that a good social management system exists on the farms.[19] The emergence of GRASP demonstrates a managerial or technical approach to labour standards that leaves little room for the voice of workers. Initial pilots to develop GRASP took place in 2005-6, including a preliminary test in Kenya and the idea has been revived in the past year as the private sectors' interest in more in-depth approaches has waned.

With respect to judicial governance, KenyaGAP has followed GlobalGAP practice, focusing on the compliance approach. In contrast, HEBI embraced more of a improving and learning approach to audit, embodied in PSA. HEBI's audit methodology has had little uptake and whilst the industry body KFC has indicated that some of the indicators developed by HEBI have been adopted, the PSA methodology has not. The limited space for worker and civil society voice in the dominant forms of social, and indeed food safety, auditing highlights the constraints on their agency in terms of judicial governance.

Moreover, the evidence available to date also suggests that systems of judicial governance are relatively immature in that there is little information available on the right of appeal that the subjects of audit may have. Whilst 'close out' meetings at the end of an audit provide an opportunity to explain non-compliance, the decision of the certification body, on the recommendation of the auditor, is usually final, though there is a period of 'grace' in which non-compliances can be rectified.[20] A source of hidden power is in the accreditation process for certification bodies; an area for further investigation would be who decides who can audit and the process by which the criteria for a credible certification body are determined.

Executive governance

Under executive governance we have considered the expectations of retailers regarding GAP and labour standards and the response from the suppliers. Certification with GlobalGAP is a requirement for producers to enter into a supply relationship with UK (or Dutch) supermarkets. It is the responsibility of the supplier to pay for and provide evidence of certification but retailers and importers may assist in the process by providing advice and information, especially for preferred suppliers (Humphrey 2006: 582). Officially benchmarked standards such as KenyaGAP are also recognised as proof that the supplier has invested in appropriate systems to ensure that safe food is delivered. However, it is widely recognised that Kenyan exporters have not used the benchmarked standard to the exclusion of GlobalGAP which it is supposed to replace (interviews; Mbithi 2008a). This may cast doubt on the credibility of the benchmarking process within GlobalGAP. Another explanation may be sought in interpreting GlobalGAP's interest in KenyaGAP, if not that of FPEAK, as a diversionary public relations exercise in the context of critical questions

[19] GRASP project final report and interview with one of the project officers, 11 December 2007.
[20] HEBI had plans to develop a complaints handling procedure for the industry, but this has not been realised.

being asked at the WTO.[21] In this light GlobalGAP's efforts to promote KenyaGAP can be seen as an effort to demonstrate that GlobalGAP was sensitive to the needs of developing country producers and not a non-tariff barrier, rather than a serious effort at benchmarking. For FPEAK, KenyaGAP could also be seen as an exercise in self-promotion, ensuring it remains relevant as an exporter association, especially in relation to its sometime rival and sometime partner, KFC, and also to attract funding from donors interested in promoting market access for small producers (Humphrey 2008).

Most UK supermarkets sourcing from Kenyan suppliers are members of ETI and have made a commitment to improving labour standards in their supply chain. Social audits are required, often on the basis of a risk assessment. They are frequently not as detailed as that dictated by the PSA methodology developed by HEBI, rather in recent years the SMETA system developed by SEDEX, as discussed above, has become the dominant approach. Some supermarkets have regular supplier conferences (e.g. one run by Marks and Spencer in Kenya in October 2008) which aim to explain expectations with regard to good labour practices. However as indicated by the continued debates about how purchasing practices constrain the implementation of codes of practice (Traidcraft 2007), the ethical trade aspirations of retailers do not always translate to their buying activities. The signals from the retailers to producers can be mixed, as was apparent from our workshop with exporters and farmers.

Nevertheless many of the Kenyan producers and exporters have of late been active in their support for social standards, especially when the gaze of civil society has been on them. Participants in our workshops repeatedly highlighted the growth in Fairtrade certification amongst flower producers in Kenya as evidence of the importance of social standards.[22] Other stakeholders highlighted however that Fairtrade certification has been driven by retailers who are responding to consumer demand for a recognisable label rather than being driven by a social agenda.

But what of the HEBI standard? Even if HEBI's civil society members and secretariat had maintained involvement beyond 2007, it seems however, that the outcome for the organisation may not have been much different given that private sector players were not prepared to wait for the organisation to mature. Indeed, two private sector interviewees have indicated:

> "By the time there was a multi-stakeholder organisation in Kenya, the industry had recognised the problems and got on with fixing them … activities by the big managers of KFC and [UK horticulture companies]; they managed to squeeze all the social stuff into KFC gold; got the NGO part of Africa Now

[21] GlobalGAP, then EurepGAP was the subject of complaints from St Vincent and the Grenadines in WTO committees highlighting how its requirements were in excess of WTO approved international Sanitary and Phytosanitary (SPS) standards in June 2005. This has sparked a series of discussions on private standards at the SPS Committee of the WTO, and currently a Committee work programme comparing standards (Stanton 2009).

[22] Indeed there has been a significant shift in the use of Fairtrade standards in Kenyan floriculture from one or two firms in 2002 (Dolan et al 2003) to around 18 certified farms and two certified traders in December 2008 (FLO website; interview).

> involved and Bureau Veritas overseeing. In 8 weeks it was all done and dusted and HEBI had not even decided where to meet…."
>
> "…[but for the larger retailers], HEBI could not offer the capacity to audit. …HEBI [had to learn to] fly quite quickly….[but as it took time] companies have had to use alternatives."

Other approaches to tackling social issues were seen as more 'expedient'. HEBI was quickly side-lined.

Governance and Kenyan PSIs

HEBI and KenyaGAP exist as both standards and institutions with roots in Kenya. Both initiatives were supported from the outside as part of the trend in the early 2000s to localise standards which can be seen as a response to the arguments that the governance of standards was too far removed from the locus of implementation. That is, they had failed to identify the real issues in the workplace confronting labour (for HEBI) or were creating a barrier to market access (KenyaGAP). By 2005 HEBI was legally registered and had a draft strategic plan; KenyaGAP was successfully benchmarked with GlobalGAP in 2007.

However, both have faced challenges in terms of how they have been accepted by influential private sector actors. The KenyaGAP standard is not being used as a certificate that can substitute for GlobalGAP despite the benchmarking process. The secretariat of FPEAK increasingly speaks about the value of KenyaGAP less in terms of certification than its strength in promoting good agricultural practices throughout the industry through the use of supporting tools such as a the quality management template. By early 2009 public statements focused on KenyaGAP Local, a pared down standard aimed at promoting safe food in supply chains for local supermarkets (Mbithi 2009; interviews).

Whilst the *content* of the HEBI code has had widespread acceptance with parts being included in auditor guides and checklists used by social auditors operating in Kenya, the audit methodology recommended by HEBI is heeded by few. Moreover, HEBI has faced a management and funding crisis; since 2006 HEBI was relatively inactive as there were problems in recruiting an effective staff for the secretariat and influential members of the board took on other roles outside of the sector leaving vacancies. Some of the remaining board members were pre-occupied with campaigning in the national elections of December 2007 whilst, according to a long-time member of the HEBI board, 'new faces at HEBI are grappling with understanding what HEBI is all about' (stakeholder interview). The issue seems rather that there are very different visions of what an organisation like HEBI can and should be. Indeed, this seemed to have been its problem from the very start.

By mid 2008 civil society board members were committed to reviving HEBI organisation. They wanted to retain the space for dialogue that had been created but which they claimed had been 'killed' by the private sector. Certainly, there is considerable evidence that the vision of HEBI that the civil society organisations has been quashed by private sector players. We can see this through the power in legislative governance (cancelled board meetings, appointment of an ineffectual project manager), and judicial governance (side-lining of PSA) and executive governance, i.e. by the growers as 'the market' did not recognise it. The high profile of GlobalGAP in Kenya (as a concern of the industry, donors and the government, as demonstrated by the focus of the National Taskforce on Horticulture) and the emergence of KenyaGAP have meant that HEBI has been increasingly over-shadowed; key industry players that were involved in HEBI have been pre-occupied with dialogue on food safety and GAP. More fundamental however is a lack of clarity as to the purpose of HEBI: should it be an auditing body or rather a body aimed at promoting best practice in the work place and remediating problems or raising awareness of worker rights?

KenyaGAP to date seems to be more adept at reinventing itself. Now that the GlobalGAP standard has been revised again, meaning that the KenyaGAP standard needs to be re-benchmarked, FPEAK's focus has been less on certification than on advocating a systems-based approach for good agricultural practice that links to government mechanisms for food safety in the context of domestic as well as export markets.

Our examination of KenyaGAP and HEBI thorough the lens of legislative, judicial and executive governance has revealed the interplay of actors both directly and indirectly involved in the value chain. Certain non-chain actors can play a role in legislative governance, and, to a certain extent, judicial governance (e.g. donor support to African certification bodies and raising of the profile, if not acceptance, of participatory social auditing). Civil society actors have played a role in legislative governance, shaping the content of the standards particularly at the indicator level, offering insights into local conditions which can influence how certain criteria are interpreted by both producers and auditors. Civil society actors involved in HEBI had hoped to have a role in judicial governance through their promotion of participatory social auditing. It seems however that certification bodies and the private sector have taken those aspects of PSA that they find useful and have ignored the more transformative aspects. However, executive governance, i.e. influencing co-ordination within the chain and specifically the selection of tools with which to co-ordinate, which is based on private sector power, tends to be beyond the reach of most actors involved in the PSIs. Exporters decide ultimately which standards to pursue in their business, but the factors which ultimately dictate the choice of standard and mode of their implementation originate further down the chain. The rationale that the private sector players provide for their choices are couched in the language of pragmatism and technical requirements. With respect to the participation of civil society for example, NGOs are seen as a resource, a source of technical expertise, highlighting a concern with output rather than democratic legitimacy. It is a particular concern that the space for dialogue has been constrained in a context where trade union activity has had limited effect.

Conclusions

This paper reviews and applies an evolving conceptual framework that aims to examine the governance implications of southern PSIs by bringing together an expanded value chain framework. Our aim is to facilitate analysis of PSIs that includes both vertical and horizontal aspects of governance that is able to capture the political and institutional dynamics of PSIs, in order to get a better picture of how private standards affect local dynamics and the extent to which players lower down the value chain, including workers and small producers, are able to influence value chain governance.

The discussion in this paper has indicated that it is with respect to legislative governance in particular, and to a lesser extent judicial governance, that the horizontal dimensions of governance are apparent, that is, a range of actors from outside the value chain have contributed to debates about the content of standards. However, in terms of executive governance, the dominance of the 'vertical' aspects of governance is apparent; it is the private sector players who have most influence, though other actors in the chain, most directly the importers but also other actors such as donors, through their provision and indeed withdrawal of support for the standards initiatives, shape the debates. Governance is exercised '*beyond the vertical*' in that one can identify wider *horizontal* processes of governance, including how the scope of key debates is constructed (especially in legislative governance) but analysis of executive governance emphasises the dominant role of the lead buyers. Indeed PSIs must be considered in the context of the other forms of co-ordination in the value chain and in the context of 'whole chain governance'.

It seems that the potential of PSIs to enhance democratic governance is limited and is dependent upon space being granted by private sector players. It seems that only certain kinds of civil society organisation are welcome to participate in PSIs, ones that deliver a service to the private sector as auditors or remediate problems, as opposed to advocacy or representative organisations. However our cases do not suggest that the role of government is being usurped, on the contrary, the KenyaGAP example suggests that private governance has stimulated parts of the Kenyan government to act in a more co-ordinated way to promote the production and sale of safe food. However, our preliminary analysis of these two PSIs must be supplemented by more detailed analysis of the discourse around private standards, particularly in the international context.

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